

## Message Text

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PAGE 01 STATE 064594  
ORIGIN EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 AID-05 CEA-01  
CIAE-00 COME-00 EA-07 FRB-03 INR-07 NEA-10  
NSAE-00 USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04  
SIL-01 AGRE-00 OMB-01 STR-04 XMB-02 /093 R

DRAFTED BY:EB/IFD/OIA:RDKAUZLARICH  
APPROVED BY:EB/IFD/OIA:RJSMITH  
EUR/RPE:RGELBARD  
TREASURY:JGRIFFIN  
LABOR:JMETCALF(SUBS)  
EUR/NE:RDJEREJIAN (SUBS)  
COMMERCE:INEUMANN  
L/EB:SBOND

-----270723Z 000458 /12/21

R 232121Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BRUSSELS  
INFO AMCONSUL ANTWERP  
USMISSION GENEVA  
USMISSION OECD PARIS  
AMEMBASSY THE HAGUE  
AMEMBASSY BONN  
USMISSION EC BRUSSELS

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C O R R E C T E D C O P Y (PARA 1, LINE 6 OMITTED)  
E.O. 11652: N/A

TAGS: EIND, EINV, ELAB, OECD, BBAK, BE

SUBJECT: BADGER BELGIUM BANKRUPTCY

REFS: (A) OECD PARIS 7647; (B) BRUSSELS 2117  
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1. EMBASSY SHOULD PASS FOLLOWING TO MARK EYSKENS, BELGIAN  
SECRETARY OF STATE FOR REGIONAL ECONOMY:

QUOTE: DEAR MR. EYSKENS:

THANK YOU FOR YOUR LETTER OF FEBRUARY 11 EXPRESSING YOUR

CONCERNS REGARDING THE CLOSURE OF THE FIRM BADGER BELGIUM.

OVER THE PAST WEEKS WE HAVE BEEN IN CONSULTATION WITH OFFICIALS OF BOTH BADGER AND RAYTHEON ON THIS PROBLEM AND HAVE RAISED YOUR CONCERNS AS WELL AS THOSE OF THE BELGIAN EMPLOYEES IN CONNECTION WITH THE OECD GUIDELINES.

THE U.S. GOVERNMENT CANNOT INSERT ITSELF INTO THE SPECIFICS OF THIS CASE. WE CONTINUE TO BELIEVE THAT THERE IS ALWAYS ROOM FOR ADDITIONAL CONSULTATIONS BETWEEN THE PARTIES TO SUCH DISPUTES AND THAT THE OECD GUIDELINES CAN SERVE AS A REMINDER TO ALL PARTIES OF THE IMPORTANCE OF WORKING TOWARD A SOLUTION WHICH MITIGATES THE PROBLEMS OF SUCH

BANKRUPTCIES. HOWEVER, IN SUCH CASES, IT IS CLEAR THAT NATIONAL LAWS ARE NOT OVERRIDDEN BY THE OECD GUIDELINES.

I UNDERSTAND THAT YOU WILL BE ATTENDING THE COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES (CIME) MEETING MARCH 31-APRIL 1. WE LOOK FORWARD TO THIS MEETING AS THE FIRST INFORMAL EXCHANGE ON THE EXPERIENCE UNDER THE GUIDELINES. WE DO NOT BELIEVE THAT THIS MEETING SHOULD GET INTO SPECIFIC CASES. IN OUR VIEW, IT IS ESSENTIAL THAT WE AVOID ANY APPEARANCE OF USING THE OECD CONSULTATION AS A SEMI-JUDICIAL BODY WHICH CONSIDERS THE MERITS OF INDIVIDUAL CASES WHICH ARE MORE PROPERLY DEALT WITH UNDER THE LAWS AND PRACTICES OF THE COUNTRY CONCERNED.

I HOPE THAT THROUGH BILATERAL CONTACTS YOU CAN KEEP US LIMITED OFFICIAL USE

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INFORMED OF DEVELOPMENTS AS THEY RELATE TO THIS PARTICULAR CASE. I HAVE BEEN REASSIGNED TO ANOTHER POSITION IN GOVERNMENT AND WILL NOT BE ATTENDING THE CIME MEETING. HOWEVER, THE U.S. REPRESENTATIVE TO THIS MEETING MR. RICHARD J. SMITH WOULD WELCOME AN OPPORTUNITY TO MEET WITH YOU IN PARIS NEXT WEEK.

SINCERELEY,

ERNEST H. PREEG (UNQUOTE)

2. FYI: USG POSITION AT CIME WILL BE TO RESIST SPECIFIC DISCUSSION OF THE MERITS OF PARTICULAR CASES. THE CIME IS NOT AN ADJUDICATING BODY FOR THE OECD GUIDELINES. FURTHER WE BELIEVE THAT IT IS IMPORTANT TO PRESERVE THE VOLUNTARY NATURE OF THE GUIDELINES. IF THERE IS CONSENSUS THAT BANKRUPTCY REPRESENTS A GENERAL PROBLEM WE WOULD NOT OBJECT TO A CIME DISCUSSION OF THE GENERAL ISSUE. END FYI.

3. FOR BONN AND OECD PARIS. PLEASE PASS TEXT OF LETTER  
TO ABRAMOWSKI AND VOGELAAR RESPECTIVELY.  
VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MULTINATIONAL CORPORATION, DIPLOMATIC COMMUNICATIONS, BANKRUPTCIES  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE064594  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** EB/IFD/OIA:RDKAUZLARICH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 OECD PARIS 7647, 77 BRUSSELS 2117  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** BADGER BELGIUM BANKRUPTCY  
**TAGS:** EIND, EINV, ELAB, BBAK, BE, US, OECD, BADGER CO, BADGER, (EYSKENS, MARK),  
**To:** BRUSSELS  
**Type:** TE  
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**Review Markings:**  
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